



Department of Justice

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U.S. ENTERS INTO SETTLEMENT FOR \$60 MILLION FOX RIVER SITE CLEANUP

WASHINGTON, D.C. – The Department of Justice, the Environmental Protection Agency and the State of Wisconsin announced today they have entered into a settlement agreement with P. H. Glatfelter Co. and WTM I Co. for a \$60 million cleanup at the Lower Fox River and Green Bay Site in northeastern Wisconsin. The companies will also make a \$3 million partial payment toward natural resource damages, and a \$1.05 million payment to reimburse a portion of the costs incurred by EPA, the State, and the Department of the Interior's Fish and Wildlife Service.

The Fox River Site is one of the largest contaminated sites in the nation. Sediments in a 39-mile stretch of the Fox River and in Green Bay are contaminated with polychlorinated biphenyls (PCBs). The contamination was caused by paper companies that produced and reprocessed PCB-containing "carbonless" copy paper from the 1950s until at least the early 1970s. PCBs in the sediments enter the food chain, and have led to fish and waterfowl consumption advisories covering several types of wildlife in the area.

To help manage the cleanup, EPA and the State have divided the Site into five separate areas, known as Operable Units 1 through 5. A total of about 7.25 million cubic yards of contaminated sediment would be dredged from several of the Operable Units under cleanup plans announced by EPA and the State earlier this year. The cost of the entire cleanup has been estimated at approximately \$400 million.

The paper companies also are liable for payment of damages for PCB-related injuries to fish, birds, and other natural resources. The U.S. Fish and Wildlife Service has estimated the total natural resource damages at between \$176 million and \$333 million.

Today's cleanup agreement covers the uppermost 6 miles of the River, from the outlet of Lake Winnebago to the Upper Appleton Dam. That segment of the River is designated as Operable Unit 1. EPA and the State have estimated that the Operable Unit 1 cleanup work will cost approximately \$60 million. The Justice Department is involved in ongoing discussions with the paper companies concerning the cleanup work that will be required at the rest of the Site (Operable Units 2 through 5).

"This settlement will require the paper companies to perform the first phase of the Fox River cleanup," said Thomas L. Sansonetti, Assistant Attorney General for the Department of

Justice's Environment and Natural Resources Division. "We also expect them to assume full responsibility for the remaining cleanup work and natural resource restoration work."

"Under this settlement, the cleanup will be paid for by the companies that polluted the River, not by the taxpayers," added Steven M. Biskupic, the United States Attorney for the Eastern District of Wisconsin. "The settlement will make it possible to start work in the River next year, and that's good news for the people of Wisconsin."

The agreement would require Glatfelter and WTM I to perform and finance the cleanup work using a specially-dedicated fund to be established by the companies. That fund would ultimately hold more than \$60 million, including \$50 million from WTM I and Glatfelter, an additional \$10 million available under a prior interim settlement with Appleton Paper Inc. and NCR Corporation, and all interest earned on the money placed in the fund. If that dedicated fund is not sufficient to finance the completion of the work, the agreement would reserve the United States' right to require Glatfelter and WTM I to perform or pay for the continuation and completion of the work.

This settlement would not resolve the companies' liability for cleanup anywhere at the Site outside of Operable Unit 1. The settlement also would not resolve the companies' liability for natural resource damages or cost reimbursement, although the agreement would require Glatfelter and WTM I to make significant payments to reduce those liabilities. The Federal, State, and Tribal natural resource trustees would select all restoration work to be funded with the the companies' \$3 million natural resource damages payment.

The terms of the settlement with Glatfelter and WTM I are included in a proposed Consent Decree filed with the U.S. District Court in Milwaukee. The Justice Department will accept public comments on the proposed Consent Decree before seeking final court approval of the settlement. The 30-day public comment period will begin once notice of the Consent Decree is published in the *Federal Register*.

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